

**GOVERNMENT OF TELANGANA**  
**ABSTRACT**

Irrigation & CAD Department - Kaleshwaram Irrigation Project Corporation Ltd., Hyderabad- Borrowing Term Loan of Rs.2150.00 crores from Vijaya bank as its share in the consortium of Nationalized commercial banks out of Rs.5980.00 Crores including IDC for implementation of Phase-III (Link-V) of Kaleshwaram Project – Permission accorded – Orders issued.

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**IRRIGATION AND CAD (Projects-IV) DEPARTMENT**

**G.O.Rt.No. 183**

**Dated: 31-01-2018**  
**Read the following:-**

1. G.O.Ms.No.145, I&CAD (Projects-II) Department, Dt.06-10-2015.
2. From the Managing Director, Kaleshwarm Irrigation Project Corporation Limited, Hyderabad, Lr.No.MD/KIPCL/HYD/2017/22, Dt.22-01-2018.

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**ORDER:-**

In the reference 1<sup>st</sup> read above, the Government have issued orders constituting the Kaleshwaram Irrigation Project Corporation (KIPC) to plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Kaleshwaram Project.

2. In the reference 2<sup>nd</sup> read above, the Managing Director, Kaleshwaram Irrigation Project Corporation Limited, Hyderabad has stated that the Vijaya Bank, Hyderabad has agreed to be the lead bank of consortium for sanction of total term loan of Rs.5980.00 crores (including IDC) under consortium banking arrangement to Kaleshwaram Irrigation Project Corporation for implementation of Phase-III (Link-V of Kaleshwaram Project). Vijaya Bank has sanctioned a term loan of Rs.2150.00 Crores as its share in the total loan.

3. The Managing Director, Kaleshwaram Irrigation Project Corporation Ltd., Hyderabad has reported that the Vijaya Bank has sanctioned a Term Loan of Rs.2150.00 crores as its share in the total loan of Rs.5980.00 Crores and that the Vijaya Bank while enclosing terms and conditions, has informed that the Consortium of Banks would disburse to the extent of 80% of the amount and 20% of the amount as margin by the Corporation in each tranche of disbursement and they have also requested the Kaleshwaram Irrigation Project Corporation to give acceptance for their terms and conditions.

4. The MD, KIPCL, Hyderabad has requested the Govt., to provide concurrence/ approval for the terms and conditions of loan sanctioned for the above and to issue necessary orders on the required documents to be provided by the Govt., in order to execute the loan agreement with the Vijaya Bank.

5. Government after careful consideration of the matter, hereby accord permission to the Kaleshwaram Irrigation Project Corporation Limited to borrow the Loan amount of Rs.2150.00 Crores (Rupees Two Thousand One Hundred and Fifty Crores Only) from Vijaya Bank as its share in the consortium of Nationalized commercial banks out of Rs.5980.00 Crores including IDC for implementation of Phase-III (Link-V) of Kaleshwaram Project, subject to the terms and conditions annexed to this order. The Government of Telangana will stand guarantee for repayment of loan taken from Vijaya Bank covering principal and interest. The State margin money of 20% including IDC will be met by the Government of Telangana through Budgetary support.

6. The Kaleshwaram Irrigation Project Corporation Limited will pay the Guarantee Commission @ 2% Consolidated for the entire Guarantee period, as the Guarantee Commission cannot be exempted as per RBI guidelines. The KIPCL shall remit the amount to Government to the following Head of account:

"0070 Other Administrative Services – 60 Other Services – MH 800 Other Receipts – SH 08 Commission for guarantee given by Government".

**P.T.O.**

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7. This order issues with the concurrence of Finance (DCM) Department vide their U.O.No.17299/08/A1/2018.

8. The Managing Director, Kaleshwaram Irrigation Project Corporation Ltd., Hyderabad, shall take necessary action, accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)**

**DR. SHAILENDRA KUMAR JOSHI  
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To  
The Managing Director, Kaleshwaram Irrigation Project Corporation Ltd.,  
Hyderabad.  
The Accountant General, Hyderabad.  
The Director of Treasuries and Accounts, Hyderabad.

**Copy to:**

The Engineer-in-Chief (Irrigation), Hyderabad  
The PS to Chief Secretary  
The PS to Addl. Secretary to Hon'ble CM.  
The PS to Spl. Chief Secretary to Government, I&CAD Dept.  
The Chief Engineer, Kaleshwaram Project, Hyderabad.  
The Vijaya Bank, Hyderabad.  
The Finance (DCM) Department.  
The General Administration (Cabinet) Department.

**// FORWARDED : : BY ORDER //**

**SECTION OFFICER**

**(Contd... ANNEXURE)**

**ANNEXURE to the G.O.Rt.No. 183 , I&CAD (Projects-IV) Dept.,**  
**Dt. 31 -01-2018**

**The terms and conditions approved by the Government:**

1.	Name and address of the Borrower/s	M/s. Kaleshwaram Irrigation Project Corporation Limited (KIPCL) 1st Floor, West Block, Jalasoudha Building, Errummanzil, Hyderabad 500082			
		PAN No./s		AAGCK2522E	
		Constitution of the borrower		Limited Company	
		Line of activity		To Provide irrigation facilities for drought prone areas in the State of Telangana and to promote and operate the project and command Area development and to plan, investigate, design, construct and manage the project. To Supply water by a system of gravity canals, tunnels, lift systems with all its associated components	
		Customer ID		112701194	
2.	Name and address of the Guarantor/s	Unconditional and Irrevocable guarantee of Government of Telangana guaranteeing the repayment of Principal and Interest.			
		PAN No./s		Not Applicable	
3.	Nature of facility (Secured/Unsecured)		Secured		
4.	Type of Loan (WC/TL etc)		Term Loan		
5.	Amount sanctioned		in crore		
			Nature of facility	Amount	
				Existing	Approved
			Term Loan-II (Fresh)	--	2150.00
			Term Loan-I	600.00	To continue on existing terms.
			Total	600.00	2750.00
6.	Margin/promoter's contribution		20%		
7.	Purpose of Loan		For the purpose of part financing Phase- III (Link V comprising of Package 15 and Package 16) at a project cost of` 7480.79 Crore (Including IDC) entailing Providing Irrigation facility, Development of Command Area in the state of Telangana under Kaleshwaram Project being developed by Govt. of Telangana.		
8.	Details of security/	Primary:	As tabulated below:		
		Collateral:	NIL		

<b>Nature of facility</b>	<b>Description of security</b>	<b>Margin</b>
Term loan-I	First pari-passu charge by way of Hypothecation of assets pertaining to Link one of project i.e., from Medigadda Barrage on Godavari River to SripadaYellampalli created out of term loan along with other member banks in the consortium.	20%
Term Loan II (Fresh)	<div>➤ First Pari-passu charge on the revenues envisaged from the Phase III of the project.</div> <div>➤ First Pari-passu charge by way of assets of Phase III envisaged at a project cost of 7480.79 crore covering Link V comprising package 15 &amp; package 16 of the Kaleshwaram project created out of Term Loan of ` 5980.00 crore (Our Bank share- 2150.00 crore) along with other member banks in the Consortium.</div>	20%

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9.	Rate of interest	Fixed or Floating	Floating
		Rate:	<b>Term Loan II(Fresh)</b> One Year MCLR+0.30% Strategic Premium+0.20% i.e., presently at 9.00% p.a. with review on yearly basis payable at monthly rests. <b>Term Loan I (Existing)</b> To continue on existing terms
		Reset clause, if any	Yearly
		Penal Interest	2%
	In case of NFB facilities	Commission	Not Applicable
		Cash margin	
10.	Terms of repayment for Term Loans	Repayable in 48 quarterly installments (as below) commencing from 30.06.2020 with door to door tenor of 14.25 years comprising implementation period of 2.25 years and repayment period of 12 years. Interest to be serviced as and when applied.	

Repayment schedule:

In crore

Year	No. of Quarters	% of Repayment	Repayment for total debt		Repayment for our Bank		Repayment for other Banks	
			Per Qtr	Year	Per Qtr	Year	Per Qtr	Year
2020-21	4	6	89.70	358.80	32.22	128.88	57.48	229.92
2021-22	4	6	89.70	358.80	32.22	128.88	57.48	229.92
2022-23	4	6	89.70	358.80	32.22	128.88	57.48	229.92
2023-24	4	8	119.60	478.40	42.96	171.84	76.64	306.56
2024-25	4	8	119.60	478.40	42.96	171.84	76.64	306.56
2025-26	4	8	119.60	478.40	42.96	171.84	76.64	306.56
2026-27	4	8	119.60	478.40	42.96	171.84	76.64	306.56
2027-28	4	8	119.60	478.40	42.96	171.84	76.64	306.56
2028-29	4	10	149.50	598.00	53.70	214.80	95.80	383.20
2029-30	4	10	149.50	598.00	53.70	214.80	95.80	383.20
2030-31	4	10	149.50	598.00	53.70	214.80	95.80	383.20
2031-32	4	12	179.40	717.60	64.94	259.74	114.46	457.86
Total	48	100		5980.00		2150.00		3830.00

11.	Expiry Date	31.03.2032	
12.	Mode of disbursement	Through TRA to be opened with our bank.	
13.	Processing Charges/ Documentation Charges etc.,	Type of Charge	Amount
		Processing (Working Capital limits –Fund based & Non-fund based)	Not Applicable
		Upfront Fee (Term loans)	Upfront fees at 0.075% of the loan amount + applicable GST. i.e. 1,90,27,500/- (For loan of 2150 crore)
		Documentation Charges	Waiver
		Pre closure/pre-payment charges (if applicable)	Waiver

		Commitment charges (if applicable)	Waiver
		Other charges if any (specify)	Lead Bank Fees – Lumpsum 50 lacs plus applicable GST  Syndication fee @0.025% plus applicable GST on total loan amount after financial tie up
<b>14.</b>	Other approvals	<ul style="list-style-type: none"> <li>➤ Waiver of CMA and external credit rating in line with approval accorded for TL-1.</li> <li>➤ Approval for waiver of external due diligence in line with the approval accorded for TL-1.</li> <li>➤ Approval for waiver of appointing External Agency for monitoring of project execution in line with the approval accorded for TL-1.</li> <li>➤ Approval for waiver of prepayment premium in line with the approval accorded for TL-1 and for Annual Review Charges</li> <li>➤ Approval for release maximum upto 1/3<sup>rd</sup> of the amount sanctioned based on individual documentation subject to condition that full financial tie up, joint documentation and security perfection takes place within 3 months from the date of first disbursement. However, Govt guarantee should be submitted before release of the term loan.</li> <li>➤ Approval for the following Disbursement mechanism at the time of each disbursement for the proposed Term Loan: <ul style="list-style-type: none"> <li>a) The Corporation shall submit details of the Work IDs in respect of all the habitations proposed to be funded before release of the limits.</li> <li>b) After the bills pertaining to works undertaken and supplies made in respect of specific habitation are approved by PAO (Pay &amp; Accounts office), the Corporation shall submit request letter for disbursement along with details of payments to be made in respect of expenditure covered under each Work ID.</li> <li>c) For First Disbursement, the Corporation shall submit to the leader Bank/ Bank administering TRA a request for disbursement along with details for release of 80% of the expenditure estimates from TRA.</li> <li>d) At the time of seeking subsequent disbursements, the corporation shall: <ul style="list-style-type: none"> <li>▪ Submit along with the request letter, Utilization certificate for the expenditure incurred till date in the specific segments financed by us.</li> <li>▪ Ensure that overall margin of 20% (including IDC) is maintained.</li> </ul> </li> </ul> </li> </ul>	
<b>15.</b>	<b>Terms and Conditions</b>	As per <b>Annexure-II(Placed at Flag A)</b>	

**Annexure-II**

**TERMS AND CONDITIONS:**

**A. Specific terms and conditions:**

**Pre-Disbursement conditions:**

1. The corporation to undertake that the present loan shall be repaid only through revenue accruals of the project and not from the budgetary allocation. Further, the Bank loan should not be in lieu of budgetary support.
2. The corporation should issue an Authority letter authorizing our Bank for making appropriate disclosure in our Annual Report as Prudential exposure norms applicable to a single borrower (infrastructure) is exceeded in the present case.
3. The Corporation shall undertake that in case of any cost overrun, the same would be funded by corporation without any recourse to bank. In case of any reduction in project cost, there should be proportionate reduction in loan.
4. The Corporation to arrange for submission of Letter of Commitment / Government order from the finance department, Government of Telangana from contributing to 20% of the Project Cost (including IDC) as margin and continue the same till the entire outstanding with the bank is cleared.
5. Corporation shall give an undertaking to the effect that water usage for the project is and will be within the overall water allocation made to the project.
6. Date of commencement of commercial project should be informed and will be documented before disbursement.
7. The Corporation to undertake that any shortage in cash flow for servicing of loan for the project shall be brought in by the promoters.
8. The company should undertake that any shortfall in tie up of debt requirements of the project from banks/FIs shall be brought in by the promoters.
9. The Corporation to submit consent letter for disclosure of name in the defaulters list, CIBIL data in the event of default on the part of the borrowers as per RBI guidelines

**Other conditions:**

10. Consortium should discuss regarding routing of the project revenue through separate project account for servicing of loan through the same.
11. The trust & Retention Account (TRA) account for the phase III of the project should be opened with our Bank.
12. All statutory approvals & enabling agreements required for the project should be submitted.
13. The Corporation to obtain all statutory and non statutory clearances required for implementation of the project as per time schedule that shall be in force during the tenor of the project.
14. Periodical progress report from I & CAD department of the Govt of Telangana to be submitted and inspection of the project progress by consortium of banks will be carried out at periodic intervals

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15. All the out of pocket expenses including stamp duty charges , ROC filing charges, search report , etc. to be borne by the Corporation.
16. Corporation to ensure that necessary land is acquired for smooth implementation of the project.
17. Consortium should devise a suitable mechanism to monitor the project of the project in consultation with borrower company.
18. Corporation shall give additional ancillary business to our Bank to increase the overall income value of the account.
19. All favorable terms & conditions of other financing banks particularly related to pricing and security shall mutatis mutandis apply for our Bank's credit facilities as well.
20. Bank reserves its right to alter/cancel and/or modify the credit limits/loans sanctioned and/or terms and condition stipulated without notice and without assigning any reason thereof.
21. Our Bank reserves the right to rearrange the repayment schedule and to call upon the corporation to accelerate the payments, if the corporations' financial position so warrants as per the opinion of the bank.
22. The rate of interest and margin stipulated are subject to changes from time to time at the sole discretion of the bank/as per the guidelines of RBI/GOI/IBA etc.
23. Default, fraud, legal incompetence during the currency of the limits, non compliance of agreed terms & conditions, non submission of required papers, overdues in the term loans, any other irregularities by the borrower will enable the bank to recall the loan/advance.
24. The bank will have the right to examine at all times the corporation books of accounts and to have to corporation work sites/units inspected from time to time by officer(s)/representative(s) of the bank and/or qualified auditors and/or technical experts and/or management consultants of the bank's choice. Cost of such inspections shall be borne by the company.
25. The corporation will keep the bank informed of the happening of any event likely to have substantial effect on their profit or business, with explanations and the remedial steps proposed to be taken.

**DR. SHAILENDRA KUMAR JOSHI  
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

**SECTION OFFICER**